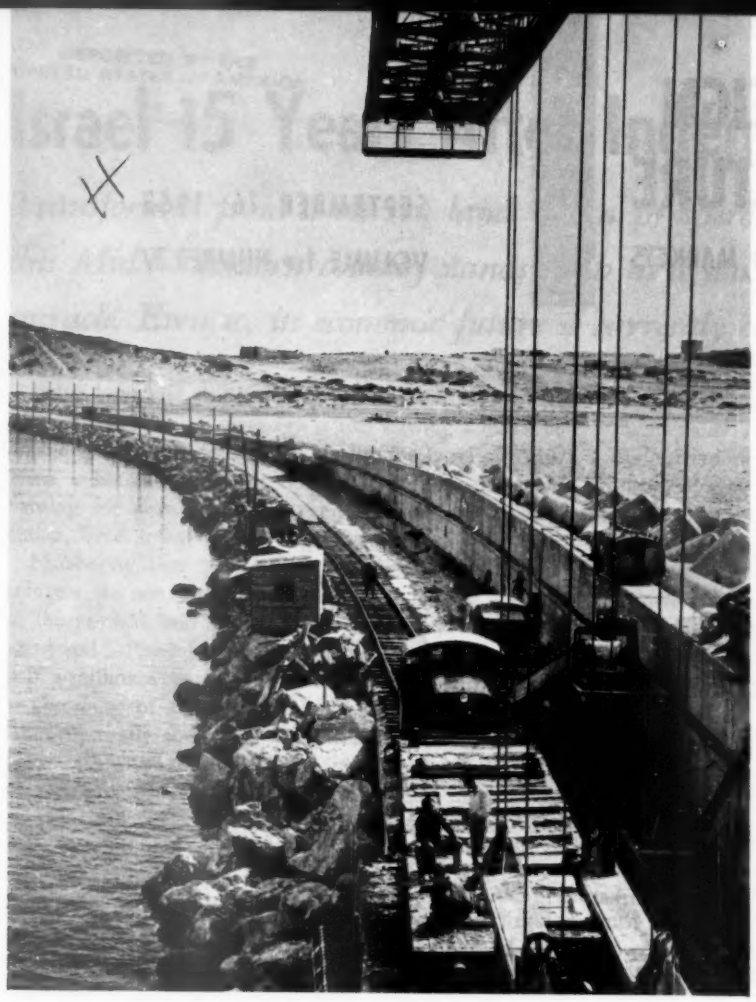

SEPTEMBER 16, 1963

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ISRAEL 15 YEARS
AFTER INDEPENDENCE

EXPLORING THE MARKET
FOR U.S. TOBACCO

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

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Including FOREIGN CROPS AND MARKETS

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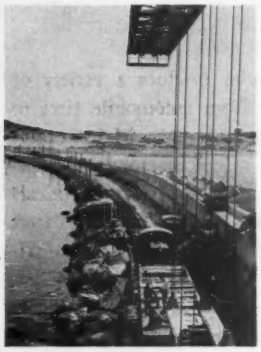

Israel develops a new deep-water port on the Mediterranean at ancient city of Ashod, to be used for citrus shipments. (This and other pictures of Israel, courtesy of the Israeli Embassy)

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Israel 15 Years After Independence

Transformed from a barren land into a prosperous nation, this Middle Eastern country stands forth as a modern-day miracle. Even so, its economic future is currently clouded.

It has been said that watching Israel's whirlwind progress since its birth 15 years ago is like viewing a movie at double speed. Few are able to visualize the Israel of 1948. Then a barren land with 800,000 war-battered people fighting for personal survival and the survival of their nation, Israel today is a thriving oasis in the Middle East.

Numbering over 2.3 million at present, the one-time refugees are now healthy and productive citizens. Much of the parched land has been transformed into rich cultivated soil. Planted acreage has increased from less than half a million acres in 1948 to over 1 million today.

The value of Israel's agricultural production has risen from practically nothing to an annual $400 million. High-value cash crops such as citrus (exports of which alone provide over $40 million a year), other fruits, vegetables, peanuts, milk, eggs, and poultry are now Israel's specialties. Agricultural exports in recent years have averaged close to $75 million, about one-third of the value of all exports—a noteworthy fact when one considers that agriculture, including forestry and fisheries, almost never has contributed more than 12 percent of the national income or employed more than 17 percent of the labor force.

Because there is not enough land to employ more than a small percentage of the population as farmers, the majority of the Israelis are employed by industry, national projects, and the army. Forming Israel's industries, however, was not an easy task. In the early days, Israeli-made shoes fell apart, matches failed to light, and clothing wore out quickly. Now, Israeli factories produce a variety of high-quality articles—everything from automobile tires to radioactive isotopes for medical research. Major enterprises turning out such products as cut diamonds, textiles, fashion goods, machinery, chemicals, and pharmaceuticals have boomed. Altogether, exports totaled over a quarter of a billion dollars in 1962. Industry supplies approximately $200 million of this.

To fully appreciate this phenomenal progress, it is necessary to take a closer look at this tiny country as it was in 1948, when it was declared an independent nation.

Return to the homeland

Israel, to the Jewish people, represented the fulfillment of a dream which they had held for 19 centuries—the dream of repossessing their homeland, from which they had been banished by the Romans around 135 A.D. This 8,000-square-mile area, only a quarter the size of Maine, was the Biblical Promised Land.

In 1948, Israel was a land of hungry people but with little means of production; a land at war but without a modern, organized army; a land with thousands of immigrants but little adequate housing. It had to settle and fortify its outlying districts, provide food and homes for its growing population, and produce exportable goods for cash. Because of these needs, agricultural development became a basic national goal.

This task, however, was one for which many of the refu-

Sowing corn in fields of Kfar Hittim, a collective in Galilee.

gees were almost totally unprepared. A high percentage of the million immigrants that arrived between 1948 and 1961 were unaccustomed or unsuited to strenuous physical activity. Few were experienced in rural occupations. But Israel desperately needed farmers, soldiers, and laborers. Unless new techniques could be taught rapidly to the newcomers, the country could not build a healthy economy, much less survive.

Physically, the land did not look too promising to the refugees. But they filled it with a contagious spirit of creation. The things they accomplished would have been impossible for a less motivated group.

Yet, without the financial aid contributed by foreign nations and supporting agencies, Israel could not have progressed so rapidly as it did. The United Jewish Appeal alone raised the amazing sum of three-quarters of a billion dollars—largely from Jews in the United States—but even that was not enough. To bridge the gap of several years between the start of the new settlements and the sale of their first crops, large quantities of food had to be imported and paid for. From the time Israel was established in 1948 through mid-1960, the United States made available $757 million in economic assistance to that country. A little less than half the U.S. aid was in grants; the largest portion took the form of "Food for Peace" shipments under the Title I foreign-currency program of P.L. 480, enabling Israel to conserve its foreign exchange.

Both the U.S. Government and the Food and Agriculture Organization of the United Nations detailed technicians to help in national planning for agriculture and to point the way to crop diversification, extension of irrigation, livestock improvement, and the strengthening of agricultural institutions. At the same time, Germany was contributing payments, mainly in goods, under an $822-million reparations agreement.

Relying at first largely on these various forms of foreign aid, the Israelis began to develop their land so that they could start producing food for use at home and sale abroad. Hillsides from which all soil had been washed away had to be terraced. Arable land was desperately scarce. Over half the nation's total acreage lies in the Negev desert, and part of the remaining land is covered with hills, mountains, and sand that in 1948 looked worthless. It was anyone's guess whether anything could be grown on that type of land, much less whether a good living could be made from it.

Yet despite the many handicaps under which Israel's farmers labored, agriculture made great strides and has progressed in almost every phase. Cultivation has undergone a phenomenal transformation from primitive dry-farming to intensive, modern, and increasingly irrigated farming. Today Israel is so advanced that U.S. Government aid is largely limited to commodity shipments under the P.L. 480 program. Less than 10 years after independence, Israel started its own foreign aid program and began sending technicians to developing countries in other areas, particularly Asia and Africa.

Contributing to the development of Israel's agriculture is its unusual system of collective farm settlements. This grew up as a result of an inexperienced people's early need to work productively and self-sufficiently together—and defend their land together—in order to survive. The two main types of collectives are the *kibbutzim* or *kvotzot* and the *moshavim shitufiim*. In a *kibbutz*, all resources are owned in common, all labor is supplied by the members, expenses and income are shared, and living is communal. In a *moshav*, land is farmed in common, but members of the settlement maintain individual homes, and work and pay are adjusted according to family circumstances.

There are also the *moshvei ovdim*, or cooperative small-

Below, a produce market in Tel Aviv; right, oranges being graded by machine. Citrus fruits alone account for over half the value of Israel's farm exports.

holders' settlements, in which farmers operate their own small farms but rely on mutual aid and on the cooperative buying of supplies and marketing of produce. On principle, both the collectives and the cooperatives have been opposed to employing paid farm labor from outside the community. This feeling is not shared by other permanent agricultural settlements, by private farmers, or by the large managed farms set up a few years ago for the profitable production of such crops as cotton, peanuts, and sugar beets, which could not be economically grown on small acreages. Managed farms, in fact, have frequently served as training and employment centers for immigrants not experienced in any phase of farming.

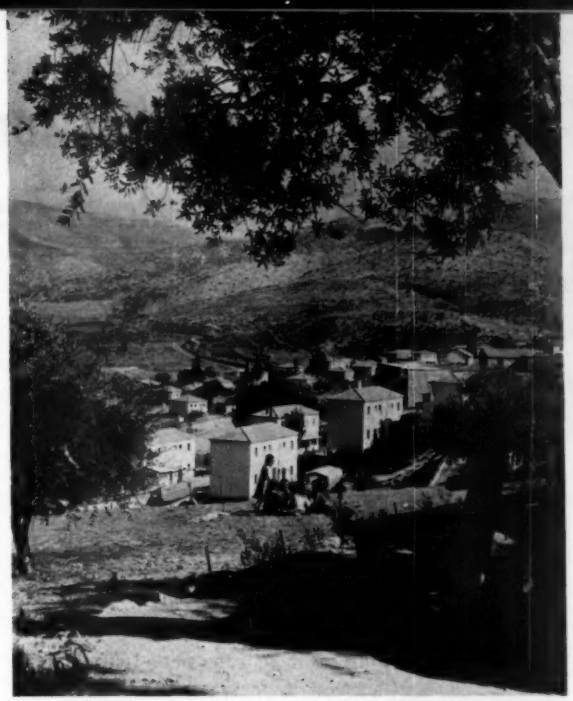
Today about 200,000 people, or some 40 percent of the rural population, live in the *kibbutzim* and the *moshavim*. But a number of these settlements are no longer purely agricultural; some have established factories or shops within their holdings to hedge against depression of agricultural income and to provide work for settlement workers not well adapted to farm pursuits.

The water problem

Israel is still a long way from solving its problems. One reason is lack of water, which has haunted the Israelites for centuries and which seriously threatens the country today. Experts are predicting that within 6 years Israel will have fully exploited its known water resources so that further expansion will be impossible. Already, it has irrigated over 350 million acres of land in order to support

its present population of 2.5 million. Even the completion of national water reclamation and irrigation projects will only enable it to support the anticipated 1970 population of 3 million; and this does not take into consideration possible new surges of immigration. Under the Law of the Return, any Jew is allowed entry into Israel, and there are estimated to be 3 million potential immigrants living in Russia alone.

At present, Israel is counteracting its water problem mainly by building up the economy with the resources already available. It is concentrating on high-value cash



Beit Shemesh, above, is an urban center for agricultural settlements nearby in Judean hills. At left, a vegetable crop destined for home consumption.

crops and is also attempting to develop industry to the point of supporting the economy.

In the meantime, the country must complete its Master Water Plan, so that water for the 1970 population will be assured. The Plan, adopted in 1956 after many years of study, calls for making use of every available drop of water before it is lost to the Mediterranean or the salty Dead Sea. As part of the overall plan, a 108-inch concrete pipe is being constructed to conduct water from the Sea of Galilee (Lake Tiberias) to southern Israel, into the upper Negev desert farms and manufacturing centers. Phase I of this project should be completed this winter at a total expenditure of approximately $600 million.

Most of the lower or far southern half of the Negev desert, which leads to the port of Eilat on the Gulf of Aqaba, will never be cultivable, experts say. Like our traditional concept of the moon, it has a rocky eroded surface, mostly devoid of soil and pitted with large wind-blown craters. In contrast, agriculture in the upper Negev has made enormous strides. Even before independence, young Jewish pioneers had begun the attempt to conquer this portion of the Negev. Today many industries and irrigated agricultural settlements are prospering there.

Future problems

Israel is not agriculturally self-sufficient now, nor is it likely to become so in the future. Its basic agricultural policy for the next 3 or 4 years is to double the production of high-value cash crops for export and to discourage the production of any commodity not competitive on the world market. The gap in needed commodities will be

(continued on page 16)

Exploring the Market for U.S. Tobacco

—a survey of North Africa, Eastern Europe, and Near East

JOHN PARKER, JR., *FAS Marketing Specialist, recently visited North Africa, the Near East, and Eastern Europe to look over the domestic tobacco industry in various countries and to determine their potential as importers of U.S. tobacco. In the following report he summarizes the situation in each country.*

In the countries visited—most of which no FAS tobacco specialist had formerly surveyed first-hand—I found many opportunities for expanded U.S. exports. My chief concern, in talking with manufacturers, officials, import-export dealers, and research technicians, was to determine ways of enlarging existing U.S. markets, or discovering new ones. The potential in four of these countries—Iraq, Kuwait, Syria, and Cyprus—appeared unexpectedly good, that in certain others, disappointing.

U.S. tobacco exports to these countries usually depend on smokers' purchasing power. In many of these countries, average income levels are low, although development of local resources to benefit the whole population may improve this situation. When incomes rise, smokers tend to prefer quality cigarettes made with U.S. tobacco, because of its flavor and aroma.

In addition, to become a U.S. tobacco market, the country needs sufficient foreign exchange to import the product for dollars. Where foreign smokers show a strong preference for American blended-type cigarettes, but the country cannot spare dollars for foreign exchange, a Public Law 480, Title I, Program may offer a solution. On the other hand, if a country's economic and foreign exchange conditions were to warrant it, a long-term loan repayable in dollars could be made available through Public Law 480, Title IV.

Another stimulant to exports may be a form of barter, already in use by governments of some of these countries in cooperation with U.S. cigarette manufacturers. The latter contract to supply a quantity of their product. In turn, the other country supplies a certain amount of its native tobacco—frequently oriental—wanted by the American manufacturers for blending. Such arrangements, it is hoped, will grow.

In the areas visited, cigarette consumption is increasing much faster than in the United States. However, the fungus disease blue mold and other technical problems prevent domestic production of the quality tobacco so prized in American-type cigarettes. Yields also tend to be low and tobacco leaves small.

Competitive exporters are likely to make larger gains in the Near East and Eastern Europe in the immediate future than U.S. exporters. Nevertheless, a new market for over $10 million worth of U.S. tobacco may be developed there in the next few years. This is needed to offset declining U.S. exports to the United Kingdom and the severe competition in the Common Market countries.

Algeria

My first North African stop was Algeria. This country, once an important tobacco producer and exporter, is now a net importer. Ten years ago, Algeria produced a 65-million-pound crop, and as a colony provided the French Tobacco Monopoly with more leaf than any other source outside France. Last year output had fallen below 6 million pounds, cut by blue-mold disease, wartime conditions, and lack of capital once supplied by the Monopoly. Exports had virtually ceased.

Today Algeria imports about 15 million pounds of leaf annually, mostly from Latin American countries. Cigarette manufacturers make an excellent profit. Should consumers' incomes reflect the country's large oil revenues, an Algerian manufacturer might find an excellent market here for an American-type cigarette.

Tunisia

Tunisia now takes about three-quarters of a million pounds of U.S. leaf yearly, and is one of the largest foreign markets outside Europe for our Maryland tobacco. Of the 8 million pounds of tobacco products used in Tunisia yearly, three-fourths are consumed as cigarettes. However, low-cost cigarettes made from dark imported Latin American tobacco and domestic leaf still account for most sales.

Tunisian farmers raise about 3.8 million pounds of leaf annually, or about half the country's needs.

Libya

Oil-rich Libya, already an important buyer of U.S. cigarettes, became a new market for U.S. leaf in 1960. Introduction of two new quality cigarette brands made locally, mainly from U.S. leaf, led to the purchase of 180,000 pounds last year. Even before the new brands appeared, imports of British and American cigarettes were rising sharply, stimulated by good consumer incomes from oil exploration and output.

The country, which grows 2 to 3 million pounds of low-quality tobacco annually, exports most of it.

Cyprus

This Mediterranean island, where I made my first stop in the Near East, "exchanges" tobacco with the United States. Cypriots prefer English-type, or straight flue-cured cigarettes, while most tobacco grown on the island is oriental. In recent years, the United States has purchased about half Cyprus' exports of leaf, usually over 1 million pounds. Cyprus, in turn, usually imports over 500,000 pounds of U.S. flue-cured annually. This year, because

Cigarette stand abroad: top left, kiosk in Belgrade; top right, tent-shaded stand, Afghanistan; and right, on street corner in Tripoli, Libya. Photos by John Parker.

blue-mold damage reduced the domestic crop to about one-fourth last year's, larger imports may be needed.

Lebanon

U.S. cigarettes total about one-fourth of all those used in Lebanon, where they sell for about 32 cents per pack of 20. Both per capita income and use of tobacco are rising, with about 4.5 million pounds of cigarettes smoked annually.

Here I saw in operation a barter system which might help expand U.S. tobacco exports to a number of countries. Most Lebanese tobacco exports go to the United States, where cigarette manufacturers buy the oriental tobacco (valued for special qualities) and, in turn, sell Lebanon U.S. cigarettes. The country's leaf imports, recently over half a million pounds yearly, come chiefly from Turkey, Greece, and the United States. The domestic crop reached 8.4 million pounds in 1961, but has declined since.

Syria

I found Syria one of the numerous Near Eastern countries where blue mold had damaged the year's crop, in this case destroying 80 to 90 percent. Because of this and the increasing demand for U.S. tobacco, more of the latter will be needed than the 224,000 pounds shipped in 1962. Syria produced about 15 million pounds of leaf last year, most of it oriental.

In 1962, the Regie in Damascus (biggest factory of the Syrian Tobacco Monopoly) began manufacturing a new filter-tipped quality brand, "Al-Harmra." Containing 92 percent U.S. leaf, it has become very popular, but sales of U.S. cigarettes have not suffered in consequence. Most domestic brands are still made entirely from oriental tobacco.

Jordan

Jordan usually imports about 1 million pounds of unmanufactured tobacco annually, mostly from the United States. This year, imports should be larger because disease reduced the crop to less than half of last year's 2.9 million pounds. Stocks on hand will prevent a serious shortage.

Value of U.S. tobacco imported last year was about $1.2 million. Most of it was stripped flue-cured ready for blending in Amman's cigarette factories, with flue-cured leaf grown in the vicinity. Jordan has now become a cigarette exporter to neighboring Near Eastern countries, supplying about 100,000 pounds yearly to Kuwait, Saudi Arabia, and Lebanon.

Kuwait

Kuwait, tiniest of the Arab countries, has the world's highest cigarette consumption per capita—9.7 pounds yearly. Also, with only 330,000 people, it is the largest cigarette importer and distributor in the Middle East. Last year, of total imports of $9.4 million worth of cigarettes, the United States supplied $5.8 million.

Living standards are exceptionally high for the area, because of large oil income and enlightened social policies. Most smokers seemed able to buy cigarettes at $1.26 per carton or 14 U.S. cents equivalent per pack of 20. Two filter-tipped brands, enjoying popularity through a decade of salesmanship, account for over half the sales.

About one-third of the cigarettes entering Kuwait are distributed outside the small desert country. In 1962, importers there purchased 40.6 percent more British ciga-

rettes than the year before, but only 10 percent more U.S. cigarettes. With vigorous sales programs, American exporters could probably make several other U.S. brands as popular as the leading American and British ones today.

Iraq

Iraq has an underrated potential as a leaf importer. Cigarette output has increased about 8 percent annually since 1958, but little foreign tobacco is taken. In 1960, the Monopoly purchased nearly 19 million pounds out of the total 27-million-pound crop of semi-oriental; the remainder was used for home cottage industries.

Imported filter-tipped cigarettes are very popular, but the United Kingdom has been chief supplier for a decade. Baghdad manufacturers told me they were eager to import large quantities of U.S. tobacco, to introduce new filter-tipped brands. U.S. exporters might have a market for several million pounds of leaf annually if Iraqi cigarette smoking should continue to increase, and smokers find filter-tipped brands reasonably priced.

Iran

U.S. cigarettes are very popular in Iran. Most of them are smuggled into the country because of restrictive laws. Domestic cigarette output rose from 6.6 billion pieces in 1959 to a record 9.6 billion in 1961, but dropped slightly in 1962. Cut tobacco and tobacco products of cottage industries account for about one-third of total consumption.

Iran could use several million pounds of U.S. leaf to replenish low stocks held by the Monopoly; however, the foreign exchange situation and protectionist policies still prevent the importing of U.S. leaf.

Afghanistan

Most cigarettes in Afghanistan come from the United States and are smoked in cities where industry is developing. A large part of the 365 million imported cigarettes are used by foreigners, including many Russians, since most of the country's 13 million people are subsistence farmers with little income for factory-made cigarettes. The 20 million pounds of tobacco produced locally each year are sun-cured and stored in Afghan pantries for smoking in water pipes.

Several European firms have discussed building a cigarette factory in Kabul.

Yugoslavia

From the Near East I went to Eastern Europe.

In Yugoslavia U.S. cigarettes can be purchased only at hotels and other tourist spots. Brands containing U.S. leaf would probably be highly successful if the Yugoslav Tobacco Monopoly chose to introduce them.

Domestic cigarette output and tobacco production are increasing rapidly. In 1963, Yugoslav farmers may harvest 110 million pounds of tobacco from their private farms. Last year, the country exported higher grades of Yugoslav tobacco while taking much low-grade inexpensive leaf from other countries.

In 1962, Yugoslavia sold 9.4 million pounds of leaf to the United States compared with only 5.1 million the year before. Lack of foreign exchange is the chief reason for Yugoslav reluctance to import U.S. tobacco. If U.S. imports of Yugoslav leaf should continue upward, however, the country should have enough dollars to purchase some U.S. leaf for blending.

Poland

Polish smokers were awaiting return of two favorite American-type cigarettes, "Carmen" and "Rarytas," to their tobacco stands, with production scheduled for autumn. This year Poland will purchase over 3 million pounds of U.S. leaf (under U.S. Government programs), but the country had been a market for about twice this amount before World War II.

Polish cigarette output rose from 49.6 billion pieces in 1961 to 52.3 billion pieces last year. Another 5-percent gain is anticipated this year. "Sport," made mostly from low-quality domestic tobacco, is the leading brand, but sales of quality brands are growing most rapidly.

Most domestic tobacco is raised by private farmers in small plots. This year's crop could reach 115 million pounds. Research stations are conducting an intensive program to improve quality and control blue mold.

Foreign exchange shortage, as with Yugoslavia, prevents sales of more U.S. leaf to Poland at present. Barter for Polish oriental tobacco is a possible solution.

Jamaica Completes Development Plans

The Jamaican Government has completed and made public its "Five Year Independence Plan 1963-68," designed to spur development of the island's rural areas and farm production and to counteract the growing problem of unemployment. Included in it is a $35-million farm program, "The Farmers' Production Programme," which provides 12 agricultural development schemes, including ones for direct subsidies, marketing facilities, credit for farmers, farm housing, watershed projects, and expansion of the country's dairy industry.

Main emphasis will be on developing the dairy industry, with a goal of raising milk production from the present level of 10 million gallons a year to 30 million within the next 10 years. To help accomplish this, the government will establish 40 trained dairy farmers on medium-size farms and, through its calf-rearing projects, will introduce some 4,000 cows into the industry.

Another important provision affecting the island's agriculture is the land distribution scheme, under which 10,500 acres will be provided annually between 1964 and 1968 for the settlement of 1,070 families on small and medium-size farms.

Agriculture forms the basis of Jamaica's economy, and, according to the Ministry of Agriculture, it must make the major contribution to solving the island's unemployment problem. However, this may prove a somewhat difficult task as mechanization and more efficient farm production usually tend toward decreased employment.

Secretary Freeman at Amsterdam Symposium site.

Atlantic Agricultural Relations Is Theme Of European-U.S. Symposium This Fall

A European-American Symposium on Agricultural Trade devoted to a study of Atlantic agricultural relations will be held November 11-15 in Amsterdam, the Netherlands, Secretary of Agriculture Orville L. Freeman announced last week. It will be sponsored by the USDA and cooperating U.S. food and agricultural interests.

Recognized professional leaders from Western Europe and the United States—representing such areas as industry, labor, consumers, science, education, government, and agriculture—will be invited to participate, the Secretary said. Some 500 participants are expected at the Symposium, to be held in the Glass Hall of the R.A.I. Exhibition Building, Amsterdam.

The Symposium will run concurrently with the U.S. Food and Agriculture Exhibition for Western Europe, November 7-24, also in the R.A.I. Building. This exhibition will be the largest such overseas event ever presented by the USDA.

In announcing the theme of the Symposium, the Secretary said: "In contrast to international negotiating sessions where trade relations are discussed formally at high government levels, the Symposium will be an informal conference primarily for business, professional, consumer, and agricultural leaders.

"It will give European and American citizens an opportunity to exchange ideas constructively on the technical means that could be employed to strengthen agricultural trade relationships."

Keynote of the Symposium, the Secretary said, will be the promise and problems of the 20th Century food and agricultural revolution.

During each of the half-day sessions, one European and one American will speak. Major topics will include: The technological revolution in world agriculture; science and development of food standards and regulations for international trade; consumer-labor interests in food and agricultural trade; farm income and national agricultural policies in relation to trade; emerging agricultural trade problems and opportunities; the place of liberal trade policies in the West.

U.S. firms and organizations wishing information about participation in the Food and Agriculture Exhibition should write to Int'l Trade Fairs Div., FAS, USDA, Wash., D.C.20250.

American Peanut Industry Eyes European Market

A study to determine the market potential for U.S. peanuts and peanut products in Western Europe will begin with an exhibit sponsored by the peanut industry at the U.S. Food and Agriculture Fair at Amsterdam. This will be the first time the industry as a whole has attempted to sell in this big market, though some promotion has been carried on in the past by individual firms.

The three members of a joint industry-FAS study team will use the Fair as an initial contact point with European consumers and buyers. Afterwards, the group will visit a number of European countries to learn if sufficient demand exists to warrant beginning full scale market development.

The U.S. peanut booth at the Fair will show a peanut roaster and a peanut butter manufacturing unit in action, and roasted peanuts and peanut butter samples will be given out. Peanuts and peanut products will be sold at the Fair's self-service market.

U.S. Commodities Share Amsterdam Feeds Booth

The U.S. Feed Grains Council, the Soybean Council of America, and the National Renderers Association plan to share a booth at the U.S. Food and Agriculture Exhibition in Amsterdam November 7-24. By coordinating their efforts, the three groups hope to make maximum impact.

The large, 20 by 20-foot booth is being designed to interest Europe's mixed feed manufacturers and livestock and poultry producers in U.S. feed grains, soybean meal, and inedible tallow. Under the banner "Feedstuffs," officials representing all three groups will be on hand to discuss the value of well-balanced feeds in animal nutrition and the results that can be obtained from their use.

American Thanksgiving Dinner for Press Sets Stage for U.S. Exhibit at Cologne

A typical American Thanksgiving dinner will be served to press, radio, and TV correspondents of Cologne, Germany, on September 17, to honor the German Thanksgiving in early October and to set the stage for the U.S. exhibit at the ANUGA International Trade Fair, which opens September 21. The American food industry and the U.S. Department of Agriculture, hosts of the dinner, are joint sponsors of the Exhibit.

About 40 countries will participate in the ANUGA Fair — expected to draw an estimated 300,000 visitors from Germany, other West European countries, Africa, Australia, and South America.

Featured attraction of the U.S. Exhibit will be a self-service market where 80 U.S. food firms will display and sell their products in one-quarter of the U.S. display area. An estimated 6,000-8,000 food items will be presented.

In addition, special booths will serve Fair visitors such foods as American cakes and pies, ice cream, fruit and fruit juices, raisin bread, chocolate milk, nonfat dry milk, honey, and soya products. At a demonstration kitchen, U.S. rice dishes, southern fried chicken, and turkey rolls will be prepared and served.

During the first 5 days of the Trade Fair, the fairgrounds will be open primarily to food importers, wholesalers, and retail distributors. U.S. Exhibit officials will conduct a total of 12 special trade and press luncheons and receptions before and during the Fair.

On USA Day, September 26, American Ambassador George C. McGhee and U.S. Agricultural Attaché Paul G. Minneman will be key speakers at a reception and buffet dinner in the Exhibit area. About 500 leading European dignitaries, government officials, and trade executives have been invited.

Around 25 to 30 food industry and government specialists will man the U.S. Exhibit throughout the Fair.

Dutch and German Grain Spokesmen To Visit U.S.

Ten leading grain and feed men of West Germany and the Netherlands will come to the United States in late September as guests of the U.S. Feed Grains Council.

Visits of the two groups are part of the Council's market development "work plan" to familiarize the grain and feed industries of importing countries with U.S. methods of feed formulation to obtain maximum efficiency in feed rations.

The German businessmen will visit the Midwest to observe harvesting of grain sorghums and corn and how USDA grades these and other grains.

Some of the West Germans will visit a commercial feed research farm in Illinois to observe the service-to-customer program carried on by this type of commercial feed company in addition to its routine research.

A part of the Dutch tour will include attendance at the Nebraska Grain and Feed Dealers Convention in Omaha, October 3-4.

Export "E" Award Goes To Fisher Flouring Mills

Achievement in expanding U.S. wheat markets overseas won the Presidential "E" award recently for the Fisher Flouring Mills Company.

Frank LeRoux, USDA General Sales Manager, presented the award to company president John L. Locke at a special televised program in the firm's Seattle, Washington, plant. A number of distinguished visitors attended the ceremony, as well as about 300 employees of the Fisher company.

The certificate, signed by the Secretaries of Agriculture and Commerce, said the company's promotion of custom blended U.S. wheat in the processing of flour by firms in the Philippines and Latin America had "played an important part in expanding dollar markets for U.S. wheat."

Milan Style Show Stars Youth Cottons

To capitalize on the growing trend in Europe toward ready-to-wear clothing for the young, the Children's Salon in Milan, Italy, this summer presented its newest fashions in cotton wear for children. Sponsor of the 15-day show was the Italian Cotton Committee, which works with Cotton Council International (CCI) and FAS in overseas market development.

Some 6,000 persons attended the event—featuring 30 to 50 cotton garments from current production lines of Italian manufacturers. According to CCI, a "noticeable improvement" was seen in styling and variety.

A children's sewing contest drew the most attention from visitors and publicity media; doll clothes were made on the spot from fabrics donated by local cotton mills.

Italy gets most of its cotton from the United States and is third largest buyer of U.S. cotton.

Subteen models ready-to-wear cotton outfit for Italian mothers and children at Children's Salon show.

Rain Damages Western Europe's Grain Crops

Prolonged rains since about August 9 in a number of West European countries have held up grain harvesting, caused great loss from sprouting, and resulted in serious quality deterioration.

Europe's season is later than usual this year, and the wet weather found more grain still in the field than would normally be the case. It is too soon for a full evaluation of quantity loss, but there are widespread reports of quality loss, especially to wheat. The moisture content of much of the harvested grain is reported to be as high as 30 percent, and the grain requires mechanical drying.

Europe's wheat import requirements now seem likely to be considerably larger than was expected earlier. The poor milling quality of the harvested grain is already making it necessary for some countries to import dry wheat of types normally supplied by their domestic production. This is pointed up by sizable sales of U.S. soft red winter wheat in early September, when little soft wheat is normally shipped. The largest quantity went to France, with smaller shipments to West Germany, the Netherlands, Sweden, Norway, Belgium, and the United Kingdom.

With all indications of low-quality and sprouted wheat in large quantities, European countries may be reexamining their import plans for feed grain. Much more wheat than usual will undoubtedly be fed, as well as possibly some damaged barley that would otherwise have qualified for brewing.

In the *United Kingdom,* crop prospects were still so uncertain at the end of August that no official estimates were being made. Unseasonably cool and rainy weather delayed harvesting; heavy storms flattened many crops in the north, and prospects for ripening there were not good. Fears were expressed that grain harvesting might be so late in some areas as to conflict with the gathering of potatoes and sugar beets. The small samples of domestic barley on the market show a high moisture content.

In *France,* as much as 20 percent of the wheat delivered to mills so far is reported to have sprouted, and large amounts will be fed. Barley and oats are also damaged. Production of millable wheat will be unusually low, and imports of dry wheat of bread type will be necessary, especially if export contracts are to be fulfilled.

In *Switzerland,* the weather turned rainy just at the time of grain ripening and cutting. Much of the wheat was still in the fields at the end of August, and sprouting was expected.

Recent trade reports give the following comments on other countries:

Belgium.—The excellent wheat crop expected has deteriorated. Sizable quantities of wheat will be imported in the very near future for blending at a higher than normal rate. The feed grain crops suffered also, with harvesting extremely difficult and long delayed.

The Netherlands.—Moisture content of the grain is estimated at about 30 percent, and drying facilities are inadequate. Substantial sprouting of both spring and winter wheat is reported. It is expected that there will be no barley suitable for brewing, although normally 30 to 40 percent of the summer barley crop is brewing barley. The quality of oats and rye is also poor.

West Germany.—Wheat cut in the fields is sprouting and has a high moisture content. Greatly increased imports are expected throughout the year.

Denmark and Southern Sweden.—There is grave concern over the milling quality of wheat and rye. Denmark is considering immediate rye purchases.

Australia's Rice Crop Sets New Record

Australia's 1962-63 rice crop, recently harvested in New South Wales, is forecast at a record 140,000 metric tons of rough rice, according to preliminary estimates. This is a substantial increase over the previous record of 134,000 tons in 1961-62.

So far there has been little difficulty in disposing of the crop. Okinawa is now the most important market, having purchased 20,000 tons this year compared with 10,000 a year ago. Sales to the United Kingdom to date total approximately 5,000 tons.

Most of the rice grown in the Murrumbidgee and Murray irrigation areas is of the short-grain varieties. However, output of long-grain is increasing gradually. Production of Bluebonnet 50 this year may reach 2,000 tons of paddy.

Mexico Harvesting Record Grain Crop

Record grain crops are being harvested in Mexico this year. The wheat crop, at 58 million bushels, is 10 percent above the 1962 high. It would cover domestic needs —estimated at 53 million bushels for the current year— and provide larger than usual carryover.

Barley production is larger than in 1962, and smaller imports are expected. A larger proportion of brewers' requirements are being filled by domestically produced malting barley.

Estimates are not yet available for corn production, but a record outturn is expected.

West Germany's Grain Harvest Near Peak

West Germany's grain harvest is turning out larger than expected; present estimates indicate that it is the second largest of record. However, the harvest is of a generally low quality.

Wheat production is now estimated at 178 million bushels, 10 million above an earlier estimate and exceeded only by the 1960 harvest.

Rye production is estimated at 128 million bushels, also

10 million above the previous estimate. It is, however, well below the production level of the 10 years that ended in 1960.

Total bread grain (wheat, rye, and winter mixed grains) will, therefore, be about 8 percent above the 1962 harvest. Feed grain production, however, is down about 7 percent, according to present estimates.

Bean Production Lower in Yugoslavia

Recent estimates indicate that Yugoslavia's bean production will be the lowest in the past 5 years; it is placed at 140,600 metric tons, compared with 178,000 in 1962, 240,000 in 1961, 216,000 in 1960, and 226,000 in 1959. The earlier estimate pointed to recovery from last year's small crop but was revised downward by 80,000 metric tons after hot, dry weather caused considerable damage.

Denmark's Trade in Cheese Up

Danish cheese exports from January 1 to late June 1963, at 80 million pounds, were up 1 percent over the same period of 1962, despite reduced sales to several major markets. Among these were West Germany, which took 39 million pounds, compared with more than 40 million in the first 6 months of last year; Italy, 6 million (7 million); and East Germany, 1 million (4 million). Larger shipments went to the United Kingdom — 11 million pounds compared with 10 million—and the United States —5 million pounds compared with 4 million.

Butter exports in this period were 114 million pounds—down 6 percent. Shipments to the United Kingdom declined from 107 million pounds to 96 million. Sales to West Germany of 3 million pounds were also less than in the comparable 1962 period. No trade was reported with the Soviet Union, which last year took over 1 million pounds. Several minor markets increased their purchases, among them Italy, which took 2 million pounds, compared with only 262,000 a year earlier.

Norway Sets Fruit, Vegetable Import Quotas

Norway has established a global import quota of 300,000 kroner (slightly above $42,000) on fruit and vegetable juices other than citrus. The quota is for the period July 1, 1963, to June 30, 1964. Citrus juices and mixtures may be imported freely.

Tomato puree in airtight, closed containers, weighing not more than 5 kilos each with their contents, has been eliminated from the quota list of the preceding period (July 1, 1962, to June 30, 1963) and may be imported without a license.

Australia's Cigarette Output Rises

Cigarette output in Australia during January-June 1963 totaled 9,736 million pieces—up 6.5 percent from the 9,138 million produced during the same period last year. Cigarette production during the entire fiscal year was 19,657 million pieces, compared with 18,573 million in fiscal 1962 and 18,513 million in fiscal 1961.

U.S. Cigarette Exports Drop a Little

U.S. exports of cigarettes in the first 6 months of 1963 totaled 11,380 million pieces—down 6 percent from those for the first half of 1962.

Leading foreign markets for U.S. cigarettes in January-June 1963, in order of importance, were Hong Kong, France, Kuwait, the Netherlands Antilles, Belgium-Luxembourg, Singapore, Uruguay, and Gibraltar. Each of these purchased at least 400 million pieces.

The value of January-June 1963 exports, at $50.5 million, was down 5.1 percent from that for the first half of 1962. Average export valuation this year was $4.44 per 1,000 pieces, compared with $4.40 a year ago.

CIGARETTES: U.S. EXPORTS, BY PRINCIPAL COUNTRIES OF DESTINATION, JANUARY-JUNE 1961-63

Destination	January-June 1961	January-June 1962	January-June 1963	Percent change, 1963 from 1962
	Million pieces	*Million pieces*	*Million pieces*	*Percent*
Hong Kong	796.7	898.4	1,024.2	+ 14.0
France	801.0	729.6	786.5	+ 7.8
Kuwait	484.1	514.8	613.6	+ 19.2
Netherlands Antilles	392.6	632.8	513.0	— 18.9
Belgium-Luxembourg	517.0	490.9	511.7	+ 4.2
Singapore	452.6	482.3	486.9	+ 1.0
Uruguay	497.7	672.1	455.3	— 32.3
Gibraltar	795.6	533.9	426.1	— 20.2
Peru	245.5	238.3	399.4	+ 67.6
Morocco	214.7	356.1	387.4	+ 8.8
Italy	375.2	410.5	365.4	— 11.0
Sweden	364.6	360.3	322.9	— 10.4
Spain	302.5	440.6	291.4	— 33.9
Canary Islands	84.5	111.7	279.7	+150.4
Panama, Republic of	220.0	311.8	276.9	— 11.2
Malaya, Federation of	182.7	133.1	264.3	+ 98.6
Switzerland	305.4	184.9	257.9	+ 39.5
Germany, West	319.0	270.5	254.5	— 5.9
Australia	134.0	188.8	253.1	+ 34.1
Denmark	249.5	219.9	241.4	+ 9.8
Japan	121.5	71.4	238.2	+233.6
Lebanon	187.1	204.8	226.8	+ 10.7
Netherlands	304.4	292.4	201.7	— 31.0
Ecuador	158.1	147.6	169.5	+ 14.8
Liberia	166.3	131.7	139.3	+ 5.8
United Kingdom	85.7	100.0	128.3	+ 28.3
Others	2,181.9	2,976.4	1,864.2	— 37.4
Total	10,939.9	12,105.6	11,379.6	— 6.0
Value (1,000 dollars)	47,719	53,291	50,548	— 5.1

U.S. Tobacco Imports Slightly Down

U.S. imports of tobacco for consumption totaled 83.7 million pounds in January-June 1963—down 2 percent from those of January-June 1962.

Cigarette leaf imports, consisting almost wholly of oriental leaf, totaled 64.1 million pounds in the first half of 1963, compared with 64.3 million last year. Imports of scrap tobaccos were up a little to 15.9 million pounds, from 15.5 million for January-June 1962. Cigar filler (stemmed and unstemmed) amounted to 3.3 million pounds, compared with 4.6 million a year ago.

Imports for consumption of Cuban cigar filler and scrap continue to be made as withdrawals from warehouse stocks which arrived prior to the embargo of February 1962. The drop in imports from Cuba is being largely offset by sharp-

ly increased imports from other Latin American countries, including Colombia, the Dominican Republic, and Brazil.

TOBACCO, UNMANUFACTURED: U.S. IMPORTS FOR CONSUMPTION[1] JANUARY-JUNE, 1962 AND 1963

Kind and origin	January-June 1962	January-June 1963
	1,000 pounds	*1,000 pounds*
Cigarette leaf:		
Turkey	41,151	42,022
Greece	16,883	14,531
Yugoslavia	3,353	4,399
Italy	652	1,069
Lebanon	874	1,001
Others	1,410	1,079
Total	64,323	64,101
Cigar filler (stemmed and unstemmed):		
Cuba	3,589	1,323
Philippines	—	902
Brazil	204	284
Mexico	2	249
Colombia	318	209
Dominican Republic	287	160
Others	198	188
Total	4,598	3,315
Cigar wrapper, total	331	218
Scrap:		
Philippines	6,855	6,759
Colombia	1,329	2,266
Dominican Republic	1,380	2,102
Cuba	4,336	2,011
Brazil	67	843
Others	1,595	1,919
Total	15,562	15,900
Stems, total	262	178
Grand total	85,076	83,712

[1] Includes withdrawals from bond for consumption and releases from Customs immediately upon arrival.

Angolan Cigarette Output Up

Cigarette output in Angola continued upward through 1962. Production last year totaled 2,760,000 pounds—up 2.6 percent from the 2,680,000 produced in 1961. Output of cut tobacco amounted to 126,000 pounds, compared with 90,000 pounds in 1961.

Colombia To Produce Virginia-Type Cigarette

The manager of the Instituto de Fomento Tabacalero in Colombia recently announced that the Compañía Colombiana de Tabaco and other interested Colombian firms would next year begin the production of Virginia-type cigarettes.

Leaf used in the production of this new type of cigarette would be of domestic origin, produced in the Departments of Santander, Magdalena, and Tolima.

Argentina's Flaxseed Exports Subject to Tax

Argentine exports of flaxseed, beginning January 1, 1964, will be subject to a variable tax of 10 to 40 percent, under terms of a recent decree. The Grain Board will determine the actual rate, setting it at a level that will guarantee adequate supplies for domestic crushers.

At present, shipments of flaxseed are controlled by quotas tying exports of flaxseed to exports of linseed oil. Funds obtained from the tax will be applied to the Board's commercialization fund, which can be used to support linseed oil prices.

The decree will permit exporters to operate more freely in the market, but the export tax will offset the difference in European import duties or subsidies that has encouraged imports of seed rather than oil.

Japanese To Negotiate For Chinese Soybeans

A Japanese trade mission plans to go to Communist China, probably this month, to negotiate on purchases of soybeans in 1964. This nongovernmental mission will include representatives of various segments of the Japanese soybean industry.

Trade groups indicate that China may offer Japan a larger quantity of soybeans in 1964 than it sold there in 1963. Some groups forecast that Japan will take about 250,000 metric tons (9.2 million bu.), either under the agreement alone or with outside purchases included.

Japanese and Chinese groups agreed in November 1962 on a 5-year program for the exportation of 700,000 tons (25.7 million bu.) of soybeans from Communist China to Japan (*Foreign Agriculture,* Dec. 17, 1962). For 1963, the first year of the agreement, 150,000 tons (5.5 million bu.) were programed. However, actual imports probably will exceed 200,000 tons (7.3 million bu.), for some soybeans have been bought outside of the agreed quantity.

Communist China is pricing its soybeans below those of the United States, as an inducement to Japanese buyers. The current price for Chinese soybeans for August-October shipment is $102.90 per metric ton ($2.80 per bu.), c.&f. Japan; this includes about $5.60 per ton for ocean freight. U.S. No. 2 soybeans for October shipment are quoted at about $107.30 per ton ($2.92 per bu.), c.&f., including about $9.50 per ton for ocean freight from Gulf ports.

Argentine Sunflowerseed Production Lower

Argentina's 1962-63 sunflowerseed production, according to the third official estimate, is now placed at 509,300 short tons, down by more than 45 percent from the record crop of 948,000 tons produced in 1961-62. The revised estimate is 8,800 tons below the second official estimate (see *Foreign Agriculture,* July 1, 1963).

The overall decline in Argentine sunflowerseed production in 1962-63 resulted from a sharp drop in both acreage and yield. Yields were down more than one-fifth from the 1955-59 average; however, acreage, which has shown marked gains in recent years, is still 6 percent above the 1955-59 average.

Argentina's Flaxseed Acreage Down Slightly

Area sown to flaxseed in Argentina for the 1963-64 crop is placed at 3,607,660 acres, according to the first official estimate. While this figure is 1.2 percent below the final estimate of area sown in 1962-63, it is 5 percent higher than last year's first estimate. In 1962-63, Argentina produced 33 million bushels of flaxseed from 3,650,900 sown and 3,198,960 harvested acres.

U.S. Imports of Cotton Linters Decrease

U.S. imports of cotton linters, mostly felting qualities, totaled 134,000 bales (500 pounds gross) during the 1962-63 season (August-July). This was 35 percent below imports of 206,000 bales during the previous season. Linters imports during July amounted to 23,000 bales, compared with 13,000 in June and 16,000 in July 1962.

Principal sources of linters imports during August 1962 through July 1963, with comparable 1961-62 figures in parentheses, were Mexico 83,000 bales (109,000), USSR 17,000 (32,000), Guatemala 13,000 (8,000), El Salvador 9,000 (12,000), Brazil 7,000 (19,000), Israel 1,000 (2,000), and Syria 1,000 (1,000).

Canada Used Less Cotton in 1962-63

Canadian cotton consumption, based on the number of bales opened by mills, was 388,000 bales (500 pounds gross) during the 1962-63 season. This is a decrease of 3 percent from the 398,000 bales opened in the previous season. However, the volume in 1962-63 exceeded by 9 percent the average annual consumption of 357,000 bales during the previous 5 seasons.

Consumption in July dropped to a seasonal low of 23,000 bales, compared with 33,000 in the preceding month and 23,000 in July 1962. The low level in July is largely the result of annual mill vacations.

Imports of cotton into Canada during August-April 1962-63 totaled 253,000 bales, of which 219,000 came from the United States and 27,000 from Mexico. During the same period in 1961-62, Canada imported 320,000 bales from the United States and 3,000 bales from Mexico.

New Zealand, USSR Sign Trade Agreement

The USSR and New Zealand recently signed a trade agreement which provides reciprocal most-favored-nation treatment for certain commodities. Among the New Zealand exports are live animals, frozen and canned meat, sausage casings, hides, skins, tallow, and wool. The Russian commodities to be shipped to New Zealand are mainly finished goods.

This agreement is effective for 4 years, beginning August 1, 1963. The duties on Russian goods entering New Zealand will be the same as those on goods from all GATT countries except Commonwealth countries, which will continue to have preferential tariff rates.

Japan Imports Mutton To Ease Meat Shortage

The current scarcity of meat in Japan has stimulated active trade in Australian mutton; several Japanese importers recently purchased 18 million pounds. Early delivery of this mutton is expected to help relieve the general shortage that has helped push retail pork prices to an average 90 cents per pound—an alltime high.

Japan recently purchased 4 million pounds of pork and fatback from the United States. Efforts are underway to determine consumer acceptance of U.S. pork, since additional imports are being considered.

Australian Meat Moves to the U.S.

Four ships left Australia during the second and third weeks of August with 18,345,600 pounds of beef, 568,960 pounds of mutton, and 31,360 pounds of variety meats for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Western ports:			*Pounds*
Goonawarra	Los Angeles	Aug. 26	Beef	1,572,480
Aug. 10			Var. meats	22,400
	San Francisco	Sept. 2	Beef	1,140,160
			Mutton	400,960
	Portland	9	Beef	259,840
	Seattle	11	Beef	736,960
	Eastern and Gulf ports:			
Cap Verde	Charleston	Sept. 6	Beef	288,960
Aug. 14			Var. meats	8,960
	Boston	10	Beef	710,080
			Mutton	89,600
	Norfolk	13	Beef	179,200
	Philadelphia	15	Beef	840,000
	New York	18	Beef	3,760,960
			Mutton	78,400
	Savannah	26	Beef	33,600
Pioneer Glen	Boston	19	Beef	154,560
Aug. 14	New York	21	Beef	582,400
	Baltimore	25	Beef	134,400
City of Canberra	New Orleans	9	Beef	934,080
Aug. 17	Tampa	10	Beef	665,280
	Everglades	13	Beef	291,200
	Charleston	15	Beef	551,040
	Philadelphia	18	Beef	2,029,440
	New York	20	Beef	3,389,120
	Boston	27	Beef	91,840
Townsville Star [2]	New York	7	Beef	515,200
Aug. 4				
City of Auckland [2]	Boston	8	Beef	112,000
Aug. 6	New York	11	Beef	127,680

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale. [2] In addition to amounts reported in *Foreign Agriculture*, Sept. 9, 1963.

Japan Imports More Hides

Japan's imports of raw hides for the first 6 months of 1963 rose 10 percent above those for the same period in 1962. The United States continued to be the major supplier, accounting for 59 percent of the total $30.4 million.

Japanese demand for imports is expected to continue strong for the remainder of the year with high industrial activity and consumer demand for shoes and accessories within Japan and continued large exports of leather and leather goods. Japan's hide imports are liberalized and imports are free of import duties.

Principal competitors for the Japanese hide market are Argentina, Australia, and New Zealand.

Australian Livestock Numbers Record High

Australian beef cattle numbers on March 31, 1963, were a record 13,440,000, according to preliminary details issued by the Bureau of Census and Statistics. This represents an increase of 454,000 over the previous year. Sheep and lamb numbers, at 158,648,000, also reached a new high, but hog numbers, at 1,439,000, were down slightly from the previous year.

Argentina's Livestock Slaughter Rises

Cattle slaughter, beef production, and exports continue to climb in Argentina. Despite the alarming reports of herd depletion and drought losses during the past 2 years, cattle slaughter was up 16 percent during the first half of 1963 from a year earlier. Although slaughter may slacken off in the last half of 1963, it appears that total slaughter and meat production during the year will exceed last year's total.

Sheep slaughter has dropped off sharply; apparently flocks are going through a rebuilding phase following a substantial decline in numbers between July 1, 1961, and 1962.

Chilled beef exports rose sharply this year. Total beef exports during the first half of 1963 are 40 percent above the 1962 level. Prospects for exports during the remainder of the year are not too good unless an increase can be arranged in the U.K. quota, which has been nearly all used. The reduced foreign demand along with the continued decline in domestic consumption has resulted in a decline in prices at the Linier's market during recent weeks.

Data on changes in livestock numbers on farms as of June 30, 1962, have recently been released by the Argentine Department of Agriculture:

	Cattle	Sheep	Hogs	Horses
	1,000 head	*1,000 head*	*1,000 head*	*1,000 head*
June 30, 1961	43,165	50,150	3,387	4,184
June 30, 1962	43,300	47,305	3,075	3,930

Mexico Raises Cattle Export Quotas

Mexican cattle and beef export quotas for the year beginning September 1, 1963, were set at 1,385,000 head.

The quota for the 1963 cattle marketing year was announced as 762,000 live cattle (the equivalent of 407,000 head as deboned and carcass beef) an export reserve of 216,000—up 120,000 and 12,000, respectively from last year's quota. The quota for dressed beef declined by 64,000 head.

Four Mexican States—Chihuahua, Sonora, Coahuila, and Nuevo Leon—were granted export quotas of more than 100,000 head.

Japanese Imports of Mohair Mount

Japan appears to be gradually increasing its annual consumption of mohair. Imports during 1963 may exceed 6 million pounds.

Imports of mohair for the first 6 months of 1963, at 3.3 million pounds, were up sharply from the same period of 1962, and came close to the 3.5 million imported for the full 1962 year. However, 1962 imports had been unusually low because of the large carryover from 1961's heavy imports of 6.3 million pounds.

Principal supplier in 1963 is the United States, accounting for 43 percent of all imports during the first 6 months. U.S. shipments, at 1.4 million pounds, were well above those for the full year 1962.

In January-June 1963 Japan also received substantial quantities of mohair from the Republic of South Africa, the United Kingdom, and the Netherlands. Mohair is not produced in Japan.

New Zealand Selling Sheep to South America

The Colombian Government has bought from New Zealand 2,000 yearling Corriedale ewes and rams, which will be placed on highland farms. Shipment was made in June.

The Ecuadoran Government has recently bought 2,000 sheep in New Zealand—1,950 yearling ewes and 50 yearling rams—for shipment in early October. The purchase is being financed by the Inter-American Development Bank.

These and other developments have led some New Zealand stock representatives to estimate that New Zealand will be able to sell from 100,000 to 150,000 breeding sheep to South American countries during the next 4 or 5 years.

Argentina To Expand Foot-and-Mouth Campaign

The compulsory vaccination area for foot-and-mouth disease in Argentina will be expanded in October to cover all major cattle-producing areas except Formosa. Addition of two new Provinces and parts of two others is expected to bring 90 to 95 percent of Argentine cattle into the vaccination program.

The National Advisory Commission for the Eradication of Aftosa (CANEFA), which has been supervising vaccination, has now been made part of a new Animal Disease Eradication Branch in the Department of Agriculture, along with various other livestock disease control and eradication agencies. This new agency, which has authority to assess fines for violations, is expected to give the various programs stronger legal backing.

Angola May Produce Soluble Coffee

The Angolan press has reported that a soluble coffee plant, which would produce about 10,000 metric tons of instant coffee annually, may be installed in Angola. The coffee would not be produced under a local brand name but would be supplied in bulk to already established firms abroad.

The Angolan Coffee Institute has issued regulations to govern the coffee trade for the crop year 1963-64, to be effective October 1. There is no change from the regulations for the previous year. The qualities exportable to the United States remain Robusta Second BB (less than 30 percent defects), or higher, and Arabica Third CC, or higher.

U.S. Extends Sugar Import Date

The U.S. Department of Agriculture announced on August 27 that it has extended until December 31 the terminal dates of October 31 and November 15 for importation of global quota sugar. However, the date of importation may not be extended beyond 235 days from the date of approval of the set-aside agreement covering global quota sugar. The global quota is 1,725,000 short tons.

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Israel After 15 Years

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filled in by imports.

The United States with its Title I program under P.L. 480 has been one of the principal sources of Israel's farm imports. Other important sources have included Turkey, South Africa, and Canada for grains; Brazil, Cuba, and Turkey for sugar; the United Kingdom for wool; South Africa for hides and skins; and Greece for cotton.

Israel's export picture, however, is somewhat obscured by the trend toward regional economic integration in Western Europe under the European Common Market. In 1961, nearly one-third of the country's total exports ($225 million) went to Common Market countries. Plans were being made for doubling this total to half a billion dollars by 1966, but Israeli experts have declared that this goal cannot be reached unless the country is granted some form of association with the Common Market such as that accorded to Greece and Turkey. The EEC's Common External Tariff now amounts to an average of 15 percent on goods produced or manufactured in Israel.

Israel has not waited for its intricate problems to solve themselves. With its eye on the future, the government is making all-out efforts to stimulate the economy through obtaining foreign investment in the country's industry, transport, and tourism. By 1965, these investments should reach three-quarters of a billion dollars.

If the present trend continues, an increasingly greater portion of the country's income will be supplied by industry, while the contribution of agriculture — limited by scanty resources of water and land—will dwindle as the years go by. But regardless of what percentage of the total income agriculture eventually supplies, it will remain an important facet of the nation's life.